
Entrepreneurship Education as the Molding of Entrepreneurial Attitudes: A Case Study

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Abstract:

David McClelland says that the State can prosper if the number of entrepreneurs is at least 2% of the total population.

The number of entrepreneurs in Indonesia is still less than that number. The development of human resources with the target being that of the young generation (students) today is the right thing to do (relevant) to increase entrepreneurs and create job opportunities.

This research aims to study and analyze the perceptions of students about entrepreneurship education to mold entrepreneurial attitudes and its influence on students' entrepreneurial intentions. The data used in this study is primary data, obtained through a list of questions addressed to students.

The samples for this study consisted of 264 respondents. This research uses structural equation modeling (SEM) method for data analysis. The results show that entrepreneurship education has a significant effect on entrepreneurial attitudes and entrepreneurial intentions.

The influence of entrepreneurship education on the entrepreneurial intention is through entrepreneurial attitudes. In other words, entrepreneurial attitudes mediate the influence of entrepreneurship education on the entrepreneurial intentions.

Keywords: *Structural equation modeling, entrepreneurship education, entrepreneurial attitude, and entrepreneurial intention.*

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1. Introduction

Unemployment and poverty are still a crucial issue in Indonesia today. They occur because the number of job opportunities is not as high as the number of graduates or the new labor supply coming out of the educational system. Data from the Central Bureau of Statistics / BPS (2016) indicate that the unemployment rate is 7.02 million people or 9.45 percent of the total workforce, whilst 28.0 million people are at the absolute poverty rate. The relative poverty level is 10.9 percent. The data above shows that the rates of unemployment and poverty in Indonesia are still relatively high. This circumstance is in fact closely related to the problem of the limited job opportunities.

David McClelland says that the State can prosper if the number of entrepreneurs is at least 2% of the total population. According to statistical data, the number of entrepreneurs in Indonesia is still very low. In 2007, it was recorded that only 0.18% or 400,000 of the total population of Indonesia were entrepreneurs. For comparison, the number of entrepreneurs in Singapore had reached 7.24% in 2007. Even in the United States, the number of entrepreneurs had reached 2.14% (1983) and 11.5% (2007). Compared to Indonesia, referring to the ideal rate of 2%, the number of Indonesian entrepreneurs should be 4.4 million people. To become a prosperous country, Indonesia needs another 4 million entrepreneurs.

According to *Harian Bisnis Medan* (2016), compared to other countries, the development of entrepreneurs in Indonesia is still very little and still below 2%. For comparison, the number of entrepreneurs in the United States is 13 percent of the total population, in China 10 percent, in Singapore 7 percent, in Malaysia 5 percent, in Thailand 3 percent, and in Indonesia is only 1.7 percent. Thus, the development of human resources in this competitive era for the younger generation, especially students is the right thing to do and relevant to enhance entrepreneurs and create job opportunities.

Table 1. *Comparison of Indonesian Entrepreneurs and Other Countries*

No.	Countries	% entrepreneurs
1.	The United States of America	13,0
2.	China	10,0
3.	Singapore	7,0
4.	Malaysia	5,0
5.	Thailand	3,0
6.	Indonesia	1,7

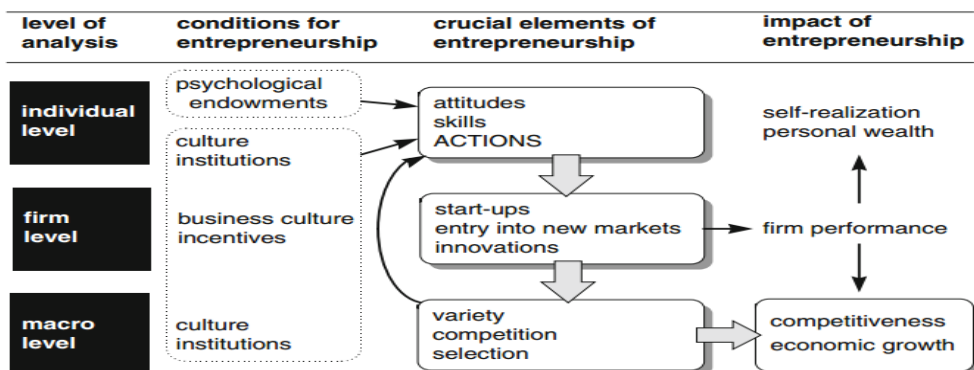
Source: *Medan Bisnis*, 2016.

Based on research data in some private universities in 2011, out of the tens of thousands of fresh graduates, only 8% are interested to become entrepreneurs and 37% work as employees and do internship. The results, in fact, differ significantly

from the results of similar research conducted in 2005, where 4% of them state that they are interested to become entrepreneurs and 17% work and do entrepreneurship.

Based on the above circumstances, it can be concluded that entrepreneurship can be studied by any individuals who have a desire but dominated by talented individuals only. In developed countries, the growth of entrepreneurship brings tremendous economic growth. In 1980s in the United States there were 20 million new entrepreneurs who were able to create new jobs. They were an important factor in pushing the US economy to grow very rapidly. Japan's development success is also sponsored by entrepreneurs. 2% of Japan's population is medium-scale entrepreneurs, while 20% of the population is small-scale entrepreneurs. This is the key to Japan's successful development. Singapore has 4% of the total population and Indonesia is still far behind. The relationship between entrepreneurship and economic growth is well described by Wennekers and Thurik cited by Carree and Thurik, presented in Figure 1.

Figure 1. *The Relationship between Entrepreneurship and Economic Growth*



Source: Wennekers and Thurik in Carree and Thurik (2002).

A few decades ago there was a school of thought saying that entrepreneurship cannot be taught. But now entrepreneurship is a subject that can be taught in schools or colleges and has grown very rapidly. The transformation of entrepreneurship education has grown rapidly in recent years. Similarly, in Indonesia, entrepreneurship education is taught in primary schools, high schools, colleges and in business courses.

Entrepreneurship education in general is a process in which students obtain information and entrepreneurial knowledge and ideas about entrepreneurship and they develop their skills and ability to act as entrepreneurs do. Classically, entrepreneurship is associated with starting a new business. Much of entrepreneurship teaching is concerned with stimulating the start-up of a new business or exploiting opportunities to develop an existing business called intrapreneurship.

Entrepreneurial attitudes are the attitudes of someone who always thinks positively in facing anything (positive thinking). It's a positive response from individuals towards information, events, criticism, insults, pressures, challenges, trials, and difficulties. A forward-looking, forward-thinking, open-minded attitude and not being easily absorbed by the things in the past (think for the future, not the past), they do not want to be swept away by things in the past and a moment of convenience. They have the attitude of not giving up when they have competitors. They also have curiosity attitudes, making them always find a way out if they want to move forward. The fundamental difference between attitudes and behaviors is that attitude is the way of thinking and mindset of the things people face, such as fear, difficulty, temptation, criticism, suggestion, pressure, and the obstacles underlying any action, while the behavior is the act from the habit over the truth that they hold firmly.

The entrepreneurship intentions can be seen from the willingness to work hard and diligently to achieve the progress of the business, willingness to bear the risks associated with the actions undertaken, willingness to take new paths and new ways, the willingness to live economically, the willingness to learn from their experiences. In establishing a business or becoming entrepreneurs, they need business capital to run the business activities. The easier it is to get business capital, the bigger entrepreneurial intentions they have because obtaining business capital easily will facilitate a person opening a new business. On the other hand, if it is difficult to get the business capital, it will be hard for someone to pour his entrepreneurial ideas or to open a business.

The core of this research is to study the problem of business intentions or entrepreneurship among students. The facts show that Indonesian students tend not to be interested in becoming entrepreneurs. After graduation, they tend to be more interested in becoming employees and looking for jobs at established institutions, rather than starting a new business or becoming a new entrepreneur. This symptom is very alarming, because of the limited job opportunities and the number of educated unemployed workers getting bigger. This, in turn, will be a source of problems, such as serious social issues, economic issues, and even political issues.

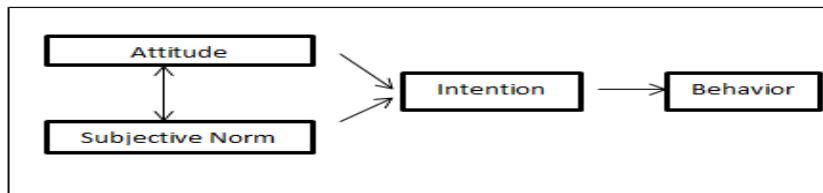
2. Theoretical Review

The attitude theorists have the view that a person's attitude towards an objective can be a predictor whether he will perform an action or not. Fishbein and Ajzen (1975) argue differently, in that they claim that one's attitude is not a guarantee to elicit his behavior. Through the Theory of Reasoned Action known as TRA, they both add the subjective norm factor as an environmental stress factor that contributes to the behavior. The accumulation of attitudes and subjective norms is called intention.

Fishbein and Ajzen (1975) explain that one's intentions towards behavior are shaped by two main factors: attitudes toward the behaviors and subjective norms. Attitude is

an evaluation or a positive or negative assessment of a person against a few beliefs against a particular object. Meanwhile, subjective norms are the extent to which individual desires meet the expectations of several parties that are considered important related to certain behaviors. Figure 1 can clarify the understanding of the intentions described above.

Figure 2. The Reason Action Theory Model



2.1 Entrepreneurship

The Ministry of National Education (2014), claims that entrepreneurship is an attitude, a spirit and an ability to create something new, which is very valuable and useful both for himself and for others. This entrepreneurship is a mental attitude and spirit that is always active and creative, empowering, creating, being productive, being humble, and striving in order to increase revenue on business activities, while an entrepreneur is a skilled person taking advantage of opportunities in developing his business to improve his life. In addition, the definition of Entrepreneurship under the Presidential Instruction of the Republic of Indonesia (1995) is the spirit, attitude, behavior and ability of a person in handling business and / or activities that lead to the efforts of creating, applying work methods, technologies and new products by improving efficiency in order to provide better services and / or gain a greater profit. Drucker (2015), argues that there are several aspects of entrepreneurship such as being able to sense opportunities, having self-confidence, having leadership, having initiative, being able to work hard, being forward-looking, daring to take risks, and being responsive to criticism and suggestions.

2.2 Entrepreneurial Intention

Intelligence according to Winkel (2004), defines it as a sedentary subject tendency, to be interested in a subject and feeling happy to learn the material. Intention is a feeling of interest in a topic that is being discussed or studied; the term "attention" is often used. And the Ministry of National Education (2006), defines intention as a high tendency towards something, passion and desire. So, intention is a concentration of attention that is inborn with a strong will and depends on the talent and environment (Vasin *et al.*, 2017; Sibirskava *et al.*, 2016; Guskova *et al.*, 2016).

Subandono (2007), states that entrepreneurial intention is the tendency of feeling passionate for a subject to be interested in creating a business which then a person

organizes, takes the risks and develops the business he/she wants. The entrepreneurial intentions come from within a person to create a business idea. Meanwhile, according to Sugihartono (2007), the entrepreneurial intention is the ability to encourage oneself in fulfilling the necessities of life and solve the problems of life, promote the business or create a new business with his own power.

2.3 Entrepreneurship Education

Sugihartono (2007), argues that education is an effort made consciously to change the human behavior both individually and in groups, to mature through the efforts of teaching and training so as to have the ability to be responsible for all their actions, while the definition of entrepreneurship education is a process of learning (knowledge transformation) to change the perspective and mindset of students on the selection of their career for entrepreneurship. Students who have taken entrepreneurship courses will have intrinsic values and entrepreneurial characteristics, which will increase their interest and love of entrepreneurship (Lestari, 2012).

According to the Ministry of National Education (2013), entrepreneurship education is an attempt to learn about the value, ability, and behavior of a person in the creation and innovation sector. Entrepreneurship education is a learning that shapes the mindset, attitudes, and risk taking in entrepreneurs. Therefore, the research objects of this entrepreneurship education in this study are the values and abilities of a person embodied in the form of attitudes.

2.4 Entrepreneurial Attitude

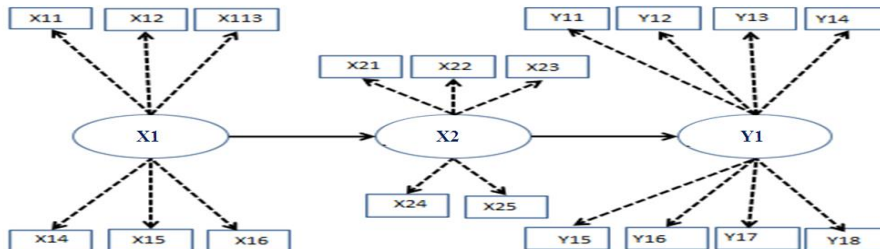
Robbins and Timothy (2008), claim that attitude is an evaluative statement, both pleasant and unpleasant to objects, individuals, or events. Robbins and Timothy (2008) say that attitude is a way of setting or conveying oneself, or how to feel, the way of thinking, and behavior. Meanwhile, according to Kotler and Armstrong (2004), attitudes are evaluations, feelings, and tendencies of the individuals towards a relatively consistent object. Attitude puts people in the frame of mind about liking or disliking something, about approaching or staying away from it.

Meredith (2003), argues that entrepreneurial attitude is the response, perspective, and mindset of the individuals towards the things in front of him such as fear, difficulty, criticism, and obstacles in running a business. The characteristics of entrepreneurial attitudes include (1) always thinking positively, (2) being forward-oriented, forward thinking and not easily influenced by things in the past, (3) being undaunted to meet competitors, (4) always being curious, (5) wanting to give the best to others, and (6) having high spirit and be ready to struggle.

3. Theoretical Framework

In this research, the study was conducted to examine and analyze the influence of 3 (three) important variables - entrepreneurship education (X1), entrepreneurial attitude (X2), and entrepreneurial intention (Y1). The theoretical framework of the entrepreneurial intention model is presented in Figure 3.

Figure 3. Theoretical Framework of Entrepreneurial Intention Model



The research hypotheses in this research are:

1. *Entrepreneurship education has a positive and significant influence on students' entrepreneurial attitudes.*
2. *Students' entrepreneurial attitudes have a positive and significant influence on students' entrepreneurial intentions.*
3. *Entrepreneurship education has a positive and significant influence on students' entrepreneurial intentions.*

The research method used in this research is the survey method. Data for this study was gathered from a sample of 264 respondents. Sampling used was purposive sampling, i.e., students who have attended and passed entrepreneurship education courses. Data analysis technique used in this research is the Structural Equation Modeling (SEM).

4. Results and Discussion

Goodness-of-fit test is a test to find out if the model fits well with the sample data or not. The default model value is obtained with probability level 0.097; CMIN / DF 4.471; TLI 0.987; CFI 0.764; GFI 0.680; and RMSEA 0.150. The results show a good number, which indicates that the model fits with the data quite well. Thus, it can be stated that this test results show good confirmation of the factor dimensions as well as causality relationships between factors.

The result of hypothesis testing using criteria C.R. is greater than 2.00. It is presented in Table 2.

Table 2. Hypothesis Testing Results

Std. Estimate	Estimate	C.R.	P	Remarks
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Entrepreneurial Attitude	←	Entrepreneurship Education	0,677	0,606	5,051	***	significant
Entrepreneurial Intention	←	Entrepreneurial Attitude	0,607	0,799	5,135	***	significant
Entrepreneurial Intention	←	Entrepreneurship Education	0,408	0,481	4,959	***	significant

Source: Data Processing Results, 2016.

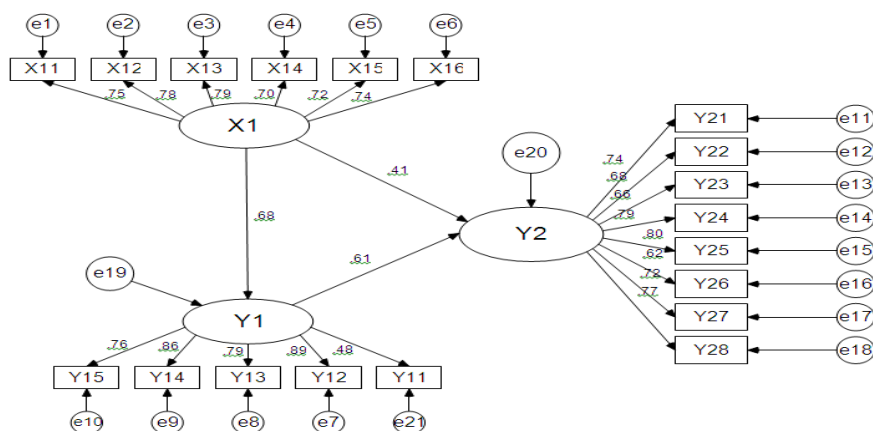
The first hypothesis examines the effect of entrepreneurship education on students' entrepreneurial attitudes. Table 2 shows that the value of C.R is 5.051 with P value of 0.000. This result shows that entrepreneurship education has a positive and significant impact on students' entrepreneurial attitudes. Thus, the first hypothesis is accepted.

The second hypothesis examines the influence of entrepreneurial attitudes toward students' entrepreneurial intentions. Table 2 shows that the value of C.R is 5.135 with the P value of 0.000. This result shows that students' entrepreneurial attitudes have a positive and significant effect on students' entrepreneurial intentions. Thus, the second hypothesis is accepted.

The third hypothesis examines the effect of entrepreneurship education on students' entrepreneurial intentions. Table 2 shows that the value of C.R is 4.959 with the P value of 0.000. This result shows that entrepreneurship education has a positive and significant impact on students' entrepreneurial intentions. Thus, the third hypothesis is accepted.

The magnitude of influence between variables can be seen on the values of standardized estimates, presented in Figure 4.

Figure 4. Estimation of Structural Equation Model



Source: Data Processing Results, 2016.

Figure 4 shows that the effect of entrepreneurship education on students' entrepreneurial attitudes is 0.68 (68%). The influence of entrepreneurial attitudes toward students' entrepreneurial intentions is 0,61 (61%). And the influence of entrepreneurship education on the entrepreneurial intentions is 0.41 (41%). Thus it can be concluded that the influence of entrepreneurship education on the entrepreneurial intentions is through students' entrepreneurial attitude. In other words, the entrepreneurial attitudes of the students mediate the influence of entrepreneurship education on students' entrepreneurial intentions.

5. Conclusion

Entrepreneurship education has a positive and significant influence on students' entrepreneurial attitudes. Entrepreneurial attitudes have a positive and significant influence on students' entrepreneurial intention. Entrepreneurship education has a positive and significant influence on students' entrepreneurial intentions.

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